98TH CONGRESS
1st Session
HOUSE OF REPRESENTATIVES
REPORT
No. 98-228

VETERANS' DISABILITY COMPENSATION AMENDMENTS OF 1983

JUNE 1, 1963.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

---

Mr. MONTGOMERY, from the Committee on Veterans' Affairs, submitted the following

REPORT

[To accompany H.R. 2937]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 2937) to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans, to increase the rates of dependency and indemnity compensation for surviving spouses and children of veterans, and for other purposes, having considered the same, with a quorum present, reports favorably thereon by unanimous voice vote without amendment and recommends that the bill do pass.

INTRODUCTION

The President, in his budget submission for fiscal year 1984, requested funds for a 5.1 percent cost-of-living allowance (COLA) for the service-connected disability compensation program. The 5.1 percent adjustment also represented what was anticipated for the indexed non-service-connected pension program, based on the changes in the Consumer Price Index from the first quarter of calendar year 1982 to the first quarter of calendar year 1983. The President also requested that COLAs for all Federal entitlement programs be deferred by 6 months. The proposed compensation increase, usually effective the beginning of the fiscal year, would become effective April 1, 1984.

During a full Committee hearing on February 17, 1983, on VA's proposed fiscal year 1984 budget, witnesses for the major veterans' organizations indicated the willingness of their members to accept the delayed effective date. In doing so, they unanimously expressed

20-981 O

H763-6

the general theme that veterans had always made sacrifices for our country and they would do their share in trying to control the large deficits in the budget. The group also unanimously agreed that their acceptance of the delay would be withdrawn if exceptions were made for other classes of Federal beneficiaries.

On February 24, 1983, the full Committee met to consider its report to the Budget Committee on the President's budget request for fiscal year 1984. During the deliberations, the Committee considered the President's proposed cost-savings legislation which included a 6-month delay in the cost-of-living allowance proposed for the compensation and pension programs. The pension program was indexed with the Social Security program by Public Law 95–588; however, the Committee retained jurisdiction of the compensation program rates and in recent years has consistently provided COLAs effective each October 1, the beginning of the new fiscal year. In his budget submission, the President proposed similar deferrals in other Federal entitlement programs.

The Committee filed its report on the President's budget with the Budget Committee endorsing the 5.1 percent COLA with the deferred date of April 1, 1984.

The First Concurrent Budget Resolution proposed by the Budget Committee included funds for a 4.1 percent COLA in lieu of the 5.1 percent request by the President. The Budget Committee pointed out that its reduction in the COLA was not a rejection of an inflation matching COLA but said its recommendation of 4.1 percent was the amount they believed necessary, based on economic assumptions provided by the Congressional Budget Office. Funds for the 4.1 percent COLA were included in H. Con. Res. 91 which passed the House on March 23, 1983.

On April 19, 1983, the Subcommittee on Compensation, Pension and Insurance conducted hearings to review legislation concerning the Veterans' Administration's service-connected disability compensation and DIC programs and other related legislation. The Subcommittee received testimony from the Veterans' Administration, the Veterans of Foreign Wars, the Non-Commissioned Officers Association, the Paralyzed Veterans of America, the Disabled American Veterans, the Blinded Veterans Association, the National Association of Military Widows and The American Legion.

The Veterans' Administration witness testified that the Administration would support a compensation increase equal to that received by the social security and non-service-connected beneficiaries under the indexing provisions of the law. Subsequent to the April 19th hearing, the Administration announced that the social security COLA would be 3.5 percent. The Committee takes note of the fact that this 3.5 percent increase in the consumer price index covers the period ending March 31, 1983, and the proposed compensation increase would be effective a year later on April 1, 1984. Because of this substantial lapse of time, the Committee feels that identical COLAs for the non-service-connected pension and the service-connected programs are not justified.

On May 4, 1983 the Subcommittee on Compensation, Pension and Insurance recommended to the full Committee H.R. 2391, which contains the following provisions:

(a) A 4.1 percent COLA for compensation for veterans and DIC rates for surviving spouses and children to be effective April 1, 1984.

(b) Payment for temporary hospitalization ratings to be effective the date of admission to a hospital rather than the first day of the following month.

(c) Authorize payment of compensation for senior ROTC members injured during active duty for training prior to October 1, 1982.

(d) Recognize the adoption of a helpless child by a veteran after the child becomes 18 years of age, provided the child was in the veteran's household when age 18 was attained.

At the meeting of the Subcommittee on Compensation, Pension and Insurance on May 4, 1983, an amendment to H.R. 2391 to liberalize compensation benefits for a small number of service-connected blinded veterans who also have service-connected loss of hearing was adopted. Following adoption of the amendment, the Subcommittee unanimously recommended that a clean bill be introduced in lieu of H.R. 2391, as amended. H.R. 2937 was introduced on May 9, 1983 and ordered reported by the full Committee on May 10, 1983.

Background

SERVICE-CONNECTED DISABILITY COMPENSATION

There were 2,269,234 veterans receiving service-connected compensation benefits as of February 1983. The Veterans' Administration expenditure for veterans' service-connected compensation benefits for fiscal year 1984 is estimated to be $8 billion.

The following table shows by war period the number of veterans receiving compensation at each of the disability evaluations from 0 to 100 percent and at each statutory level. Also shown are the number of veterans suffering from selected disabilities.

SERVICE-CONNECTED DISABILITY COMPENSATION INFORMATION—PERSONS ON THE ROLLS AS OF END OF SEPTEMBER 1982

	Total	Vietnam	Korea	WW II	WW I	Peacetime
Total veterans on rolls	2,274,627	579,451	231,475	1,140,144	21,556	302,001
Male	2,247,163	572,731	229,408	1,129,723	21,289	294,012
Female	27,464	6,720	2,067	10,421	267	7,989
Combined degree of disability: [1]						
0 Compensable	26,187	868	7,029	14,808	309	3,173
10	887,879	229,237	80,816	445,614	4,258	127,954
20	358,072	99,971	35,682	167,993	5,449	48,977
30	317,153	74,672	31,311	168,679	3,061	39,430
40	186,888	48,741	19,551	96,355	1,860	20,381
50	114,403	28,675	11,321	60,895	1,503	12,009
60	121,984	27,328	13,907	65,137	1,661	13,951
Schedule	82,529	21,033	9,171	42,576	1,094	8,655
Unemployable	39,455	6,295	4,736	22,561	567	5,296
70	71,515	18,815	8,215	36,438	780	7,267
Schedule	40,920	12,449	4,443	19,235	464	4,329
Unemployable	30,595	6,366	3,772	17,203	316	2,938
80	38,289	9,678	4,470	20,266	519	3,356

SERVICE-CONNECTED DISABILITY COMPENSATION INFORMATION—PERSONS ON THE ROLLS AS OF END OF SEPTEMBER 1982—Continued

	Total	Vietnam	Korea	WW II	WW I	Peacetime
Schedule	19,739	4,979	2,086	10,923	324	1,427
Unemployable	18,550	4,699	2,384	9,343	195	1,929
90	14,145	4,416	1,638	6,767	137	1,187
Schedule	6,212	1,906	746	3,066	79	415
Unemployable	7,933	2,510	892	3,701	58	772
100	138,159	37,065	17,536	57,215	2,023	24,320
Total paid 100 percent rate = 100 + total unemployable	234,692	56,935	29,320	110,023	3,159	35,255
Type of disability:						
TB, lung, pleura	45,671	1,950	9,845	26,038	3,084	4,754
Psych and Neuro	463,567	101,362	42,186	258,448	4,063	57,508
Other	1,765,389	476,139	179,444	855,658	14,409	239,739
Additional awards: [2]						
Aid and attendance:						
Veterans	12,136	3,242	1,758	4,392	242	2,502
Spouses	2,713	144	211	1,900	259	199
Housebound veterans	6,981	1,527	929	3,148	187	1,190
Anatomical loss—limbs	24,295	6,655	2,767	12,690	247	1,936
Single	21,676	5,452	2,458	11,787	234	1,745
Hand	4,387	776	493	2,645	61	412
Foot	17,289	4,676	1,965	9,142	173	1,333
Double	2,509	1,135	296	883	13	182
Hands	119	37	12	53	2	15
Feet	2,156	1,002	259	733	11	151
Hand and Foot	234	96	25	97	.....	16
Triple	87	60	10	12	.....	5
Hand and Feet	78	54	9	10	.....	5
Hands and Foot	9	6	1	2	.....	.....
Quadruple	23	8	3	8	.....	4
Loss of use—limbs	36,529	10,730	4,796	16,108	200	4,695
Single	22,100	6,422	2,456	11,363	172	1,687
Hand	9,571	2,723	1,080	4,864	98	806
Foot	12,529	3,699	1,376	6,499	74	881
Double	11,347	3,441	1,853	3,883	25	2,145
Hands	325	63	57	143	.....	62
Feet	8,530	2,520	1,452	2,843	18	1,697
Hand and foot	2,492	858	344	897	7	386
Triple	744	165	132	299	.....	148
Hand and feet	694	153	123	281	.....	137
Hands and foot	50	12	9	18	.....	11
Quadruple	2,338	702	355	563	3	715
Special monthly compensation [3]	145,694	31,796	22,697	69,980	1,786	19,435
K	85,413	22,289	10,230	41,312	1,063	10,519
L	5,960	1,268	774	2,761	224	933
L½	2,468	880	357	874	22	335
M	2,821	678	406	1,276	62	399
M½	2,395	756	376	922	13	328
N	463	103	54	234	6	66
N½	312	106	42	138	.....	26
O	202	53	22	55	.....	72
P	1,899	650	281	708	10	250
Q	27,989	711	7,834	15,955	189	3,300
R1	7,167	2,402	1,097	2,089	8	1,571
R2	1,559	369	289	462	.....	439
S	6,981	1,527	929	3,148	187	1,190
T	65	4	6	46	2	7
Terminations (4th quarter fiscal year 1982)	16,795	3,029	977	7,763	831	4,195
Death	11,089	868	851	7,550	821	999
Other	5,706	2,161	126	213	10	3,196

SERVICE-CONNECTED DISABILITY COMPENSATION INFORMATION—PERSONS ON THE ROLLS AS OF END OF SEPTEMBER 1982—Continued

	Total	Vietnam	Korea	WW II	WW I	Peacetime
Dependency:						
Veterans not entitled (0 to 20 percent)	1,272,138	330,076	123,527	628,415	10,016	180,104
Veterans entitled:						
No dependency (30 to 100 percent)	297,988	63,638	31,046	157,811	5,641	39,852
Dependents (30 to 100 percent)	704,548	185,752	76,903	353,941	5,903	82,049
Total dependents	1,168,887	444,888	126,602	424,983	5,998	166,416
Spouses	670,601	169,310	72,688	347,308	5,867	75,428
Children	487,012	271,693	52,031	74,128	131	89,029
Parents	11,274	3,885	1,883	3,547	.....	1,959

[1] Compensation is paid according to the combined degree of disability determined from the Schedule for Rating Disabilities. The rates of payment are defined in sections 314 and 315, chapter 11, title 38, U.S. Code. Veterans who have schedular ratings from 60 percent through 90 percent and are judged unable to secure or follow a substantially gainful occupation as a result of service-connected disabilities are classified as individually unemployable and compensated at the 100 percent disability compensation level.

[2] Aid & Attendance and Housebound awards are granted under the provisions of sections 314 and 315 of chapter 11, title 38, U.S. Code. Aid & Attendance covers those recipients requiring the services of an attendant as a result of incurring severely restrictive disabilities. Housebound covers those less incapacitated but still confined to their immediate surroundings.

[3] Additional payments for various combinations of catastrophic losses as defined in title 38, chapter 11, section 314, paragraphs k through t.

Vietnam: Vietnam era—August 5, 1964 thru May 7, 1975.
Korea: Korean conflict—June 27, 1950 thru January 31, 1955.
WW II: World War II—December 7, 1941 thru December 31, 1946.
WW I: World War I—April 6, 1917 thru November 11, 1918.
Peacetime—Peacetime, including the post-Vietnam era.

The basic purpose of the disability compensation program, throughout its history, has been one of providing a measure of relief from the impaired earning capacity of veterans disabled as the result of their military service. The amount of compensation payable varies according to the degree of disability which, in turn, is required by law to represent, to the extent practicable, the average impairment in earning capacity resulting from such disability or combination of disabilities in civil occupations.

To be eligible to receive disability compensation, a veteran must have contracted a disease, suffered a nonmisconduct injury, or aggravated an existing disease or injury in the line of duty during active wartime or peacetime service and have been discharged under other than dishonorable conditions.

The responsibility for determining a veteran's entitlement to service connection for a disability rests solely with the Veterans' Administration. This determination is based upon the service medical records or other evidence which may be presented to the Veterans' Administration by the veteran. The law provides that if a veteran had service of 90 days or more during time of war or after December 31, 1946, and develops a chronic or tropical disease to a degree of 10 percent or more within 1 year of his discharge from such service, service connection may be granted by presumption. Service connection may be granted by presumption for active tuberculosis or Hansen's disease which becomes manifest to a degree of 10 percent or more within 3 years of a veteran's discharge from such service and for multiple sclerosis becoming manifest to a 10-percent degree within 7 years of a veteran's discharge from such service. In cases of prisoners of war, diseases related to nutritional deficiencies or anxiety states or psychosis which becomes manifest to a degree of 10 percent or more at any time after service, may be granted service connection on a presumptive basis.

When a claim for service-connected disability benefits is received by the Veterans' Administration, that agency obtains the service medical records and the issue is generally decided based upon such records. If the service medical records do not establish that the disability was incurred in service, the veteran may submit evidence to substantiate the contention. Generally, this may be statements from persons with whom the veteran served relating knowledge of the veteran's injury or disease. The Veterans' Administration also would consider the question of entitlement to service connection by presumption if the disability is a chronic disease becoming manifest within the prescribed period to time. If a veteran is granted service connection, the percentage of disability is generally based upon the findings of a VA examination. If a veteran with a service-connected disability should feel in some later year that the disability has increased in severity, evidence of this, usually a statement of recent medical treatment, may be presented to the Veterans' Administration to request re-evaluation of the disability. Should the Veterans' Administration deny service connection or deny a request for an increased rating, the veteran may appeal the denial decision to the Board of Veterans' Appeals provided the veteran notifies the agency of his or her disagreement with the decision within one year of the decision date.

The law provides that a case involving a complex or controversial medical issue may be referred to a medical specialist outside of the Veterans' Administration for an advisory opinion. The law also provides that, if service connection for a veteran's disability has been in existence for 10 or more years, service connection may not be severed except in the case of fraud. The law further provides that a disability rated continuously at or above an evaluation for 20 or more years shall not thereafter be rated at a lesser evaluation.

The percentage of disability for a specific disability is assigned by the Veterans' Administration. That agency has established a "Schedule for Rating Disabilities" which is used as the guideline for the measuring of the degree of disability. Compensation is paid for disabilities at ratings of 10 percent, 20 percent, 30 percent, and so forth up to 100 percent. The amount of compensation payable for each percentage of disability is established by law. Additional compensation is payable for the loss of a limb, blindness, and other severe disabilities. Additional dependency allowance is payable to veterans with a rating of 30 percent or more for a spouse, minor children, or dependent parents.

Historically, the Congress has increased compensation rates whenever there has been an appreciable increase in the cost-of-living index, since the rates are not indexed to the Consumer Price Index by law. This is necessary to ensure that inflation does not erode the purchasing power of those drawing compensation and DIC benefits.

PERCENT OF INCREASE IN COMPENSATION RATES

From 1917 through 1982, the cumulative increase in the Consumer Price Index is 708.9. During that same period the cumulative increase in the compensation rate paid to the totally and permanent-

ly disabled service-connected unmarried veteran is 1402.9 percent. There follows a breakdown of the percent of increase in compensation rates over those paid on July 1, 1933:

HISTORY OF WARTIME SERVICE-CONNECTED COMPENSATION INCREASES FOR SERVICE-CONNECTED DISABLED VETERANS—APR. 6, 1917 THROUGH OCTOBER 1982

	Percent of increase in compensation rates over those paid on July 1, 1933																						Cumulative increase in Consumers Price Index since 1917	Cumulative increase in compensation since 1917
	1934	1944	1945	1946	1949	1952	1954	1957	1962	1965	1969	1970	1972	1974	1975	1976	1977	1978	1979	1980	1981	1982		
10 percent	11.1	27.8	.....	53.3	66.7	75.0	88.9	111.1	122.2	133.3	155.6	177.8	211.1	255.6	288.9	322.2	355.6	388.9	433.3	500.0	544.4	581.9	708.9	668.0
20 percent	11.1	27.8	.....	53.3	66.7	75.0	83.3	100.0	111.1	122.2	138.9	155.6	183.3	227.8	261.1	288.9	316.7	344.4	388.9	450.0	494.4	526.7	708.9	605.9
30 percent	11.1	27.8	.....	53.3	66.7	75.0	85.2	103.7	114.8	122.2	140.7	159.3	185.2	229.6	263.0	292.6	318.5	348.2	392.6	455.6	500.0	534.0	708.9	614.1
40 percent	11.1	27.8	.....	53.3	66.7	75.0	83.3	102.8	113.9	127.8	147.2	166.7	194.4	238.9	272.2	302.8	330.6	361.1	405.6	472.2	544.4	584.3	708.9	670.8
50 percent	11.1	27.8	.....	53.3	66.7	91.7	102.2	122.2	137.8	151.1	171.1	200.0	231.1	280.0	317.8	351.1	380.0	415.6	466.7	546.7	628.9	674.9	708.9	772.7
60 percent	11.1	27.8	.....	53.3	66.7	91.7	101.9	122.2	137.0	151.9	172.2	201.9	235.5	290.7	337.0	372.2	403.7	440.7	494.4	579.6	664.8	713.1	708.9	815.6
70 percent	11.1	27.8	.....	53.3	66.7	91.7	101.6	122.2	136.5	155.6	176.2	206.4	236.5	296.8	344.4	379.4	411.1	449.2	503.2	588.9	727.0	780.0	708.9	890.9
80 percent	11.1	27.8	.....	53.3	66.7	91.7	101.4	122.2	136.1	158.3	179.2	209.7	240.3	301.4	350.0	386.1	418.1	455.6	511.1	598.6	738.9	792.7	708.9	905.2
90 percent	11.1	27.8	.....	53.3	66.7	91.7	101.2	121.0	135.8	158.0	179.0	208.6	239.5	301.2	349.4	385.2	417.3	455.6	511.1	598.8	738.3	792.7	708.9	905.2
100 percent [1]	11.1	27.8	.....	53.3	66.7	91.7	101.1	150.0	177.8	233.3	344.3	400.0	450.0	548.9	627.8	685.6	737.8	798.9	887.8	1,028.9	1,155.6	1,240.5	708.9	1,402.9
Revised statutory awards under subparagraphs below			40.0	68.0	68.0	88.0	88.0	68.0	88.0	88.0	88.0	88.0	88.0	108.0	108.0	124.0	124.0	124.0	124.0	148.0	148.0	148.0	708.9	148.0
l			33.3	60.0	60.0	77.3	86.0	106.0	126.7	166.7	233.3	273.3	310.7	384.7	442.7	486.0	524.7	570.0	636.0	741.3	835.3	896.6	.....	.....
m			34.3	61.1	61.6	78.9	88.0	105.1	122.9	157.1	214.3	252.0	287.4	357.1	412.0	453.1	489.7	532.6	595.4	694.9	784.0	841.8	708.9	896.6
n			32.5	59.0	59.0	76.5	85.5	100.5	120.0	162.5	212.5	250.0	285.0	354.5	409.0	449.5	486.0	529.0	591.5	690.5	779.0	836.6	636.9	891.8
o			20.0	44.0	44.0	60.0	68.0	80.0	110.0	140.0	180.0	213.6	244.8	306.8	355.6	392.4	428.8	463.2	518.8	607.2	686.5	737.1	437.7	836.6
p			20.0	20.0	33.3	40.0	50.0	75.0	100.0	133.3	161.3	187.3	239.0	279.7	310.3	337.3	369.3	415.7	489.3	555.3	596.3	261.3	596.3	
q							0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	.....	.....	.....
r									33.3	66.7	100.0	124.0	146.7	191.3	226.0	252.0	275.3	302.7	342.7	406.0	462.7	496.9	240.1	496.9
s									9.4	32.1	69.7	90.2	109.1	146.8	176.2	198.5	218.1	241.5	275.5	329.1	377.0	404.7	240.1	404.7
Clothing														0	16.67	26.7	35.3	45.3	60.0	82.7	103.3	110.8	128.5	110.8
t																			9.7	25.1	39.4	42.3	42.2	42.3

[1] Made retroactive to Apr. 6, 1917.

DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVORS OF VETERANS WHO HAVE DIED OF SERVICE-CONNECTED CAUSES

Currently there are 249,484 surviving spouses and 66,898 children receiving dependency and indemnity compensation (DIC). These are the survivors of more than 348,742 veterans who have died of service-incurred causes.

Over $1.8 billion is expected to be paid in fiscal year 1984 to these survivors.

Widows and children of veterans who died of causes determined to be service-connected are entitled to receive monthly dependency and indemnity compensation.

The purpose of this benefit is to provide partial compensation to the designated survivors for the loss in financial support sustained as the result of the service-connected death. Income and need are not factors in determining a surviving spouse's or child's entitlement since the Nation assumes, in part, the legal and moral obligation of the veteran to support the spouse and children. Payments of DIC for surviving spouses are determined on the basis of the veteran's service pay-grade and range from $445 monthly for the surviving spouse of an E–1 to $1,139 monthly for the surviving spouse of an O–10. Surviving spouses are entitled to an additional $51 monthly for each child.

There is an additional allowance of $134 monthly which is payable to eligible surviving spouses who are patients in a nursing home or who are in need of the regular aid and attendance of another person.

Surviving spouses qualified for DIC who are not so disabled as to require the regular aid and attendance of another person but who, due to disability, are permanently housebound may be granted a special allowance of $66 monthly in addition to the DIC rate otherwise payable.

If there is no surviving spouse receiving dependency and indemnity compensation benefits but there is a surviving child, the child is entitled to $225 monthly with additional benefits for other children.

When a service-connected disability is found to be the principal or contributory cause of death, such death is considered to be service-connected. These determinations are made on a very liberal basis. For example, there are disabilities which by their very nature are so overwhelming that eventual death can be anticipated irrespective of co-existing conditions. Even though such a disability is non-service-connected and is the primary cause of death, consideration is given to whether the co-existing service-connected conditions were of such severity as to have been a material influence in accelerating death. Where death has been so accelerated, it will be considered service-connected. The death of any veteran whose service-connected disabilities were the primary cause of death or contributed materially in producing death would, of course, render the survivor basically eligible for service-connected death benefits.

The same benefits provided for those entitled to DIC are also payable to surviving spouses or children of certain veterans whose deaths are not service-connected but who, at death, had been in receipt of total (100 percent) ratings for service-connected disabilities.

It is necessary for entitlement under this provision that the 100 percent rating have been in effect continuously for at least 10 years at death or continuously since service and for at least 5 years. A surviving spouse must have been married to a veteran for at least 2 years at the time of death before entitlement exists.

The following table shows by war period the number of surviving spouses and children of service-connected veterans in receipt of survivor's death benefits:

ACTIVE DEPENDENCY AND INDEMNITY COMPENSATION CASES

Entitlement	DIC beneficiaries		
	Total	Widows	Children
Total	318,930	251,969	66,961
World War I	26,858	25,984	874
World War II	121,948	114,770	7,178
Korean conflict	28,791	25,006	3,685
Vietnam era	86,412	45,082	41,330
Spanish/American War	101	86	15
Mexican border period	1	1	
Indian War			
Civil War	3	1	2
Regular establishment	54,922	41,045	13,877

Source: Extract from RCS 21-14, Veterans' Administration (February 1983).
Note: Historically, these benefits for survivors have been increased periodically in response to changes in the cost of living.

ACTION BY THE CONGRESS DURING THE PAST 8 YEARS

Fiscal year 1983—Public Law 97-306—$655.4 million

The Act provided an average 7.4 percent increase in the basic rates of service-connected compensation. Statutory awards relating to more serious disabilities, other than the "K" award, and DIC rates were increased by 7.4 percent.

In addition, it (1) provided ROTC members with eligibility for Veterans' Administration benefits if injured during summer training on or after October 1, 1982; (2) provided minor adjustments in the benefit levels for certain blinded veterans with multiple disabilities; (3) ensured payment of dependency and indemnity compensation to surviving spouses if the veteran was totally disabled for 10 years by service-connected disability prior to death, but was not paid for 10 years due to Veterans' Administration error; (4) prevented escheat of unclaimed Servicemen's Group Life Insurance proceeds to a State and removed the bar against payment in the event a claim is filed more than 4 years after the insured's death; (5) provided for a burial flag for certain non-veterans buried in a VA national cemetery; (6) provided for payment of a burial allowance for unclaimed bodies of wartime veterans for deaths occurring after September 30, 1982; and (7) clarified the intent of Congress that burial benefits are payable if a veteran dies while a patient in a Veterans' Administration contract nursing home.

Fiscal year 1982—Public Law 97-66—$967.3 million

The Act provided an average 11.2 percent increase in the basic rates of service connected compensation—with veterans with great-

er disabilities receiving a larger proportionate share of the increase. Statutory awards relating to more serious disabilities, other than the "K" award, and DIC rates were increased by 11.2 percent.

In addition, it (1) increased the statutory award designation payable to veterans who suffer the service-connected loss or loss of use of both upper extremities by one full step; (2) increased the automobile assistance allowance from $3,800 to $4,400; (3) extended eligibility for the automobile adaptive equipment in certain cases to service-connected disabled veterans suffering from ankylosis of the hip or knee; (4) increased SGLI coverage from $20,000 to $35,000; (5) permitted GI insurance to be paid in a lump sum when there is no designated mode of payment; (6) permitted the VA to guarantee graduated payment home loans; (7) extended maximum terms of guaranteed loans for mobile home purchases; (8) increased the specially adapted housing assistance grant from $30,000 to $32,500; (9) prevented certain veterans from losing nonservice-connected pension while undergoing rehabilitation at a VA medical facility; (10) provided headstones or markers in cemeteries for veterans whose remains were not recovered; (11) prevented the VA from using appropriated medical funds to conduct cost comparison studies; (12) required the VA Administrator to include any consolidation plans in his annual budget; and (13) clarified congressional intent on appropriated funding levels and personnel ceilings.

Fiscal year 1981—Public Law 96-385—$1,058.1 million

The Act provided a 13 percent rate increase in compensation for those disabilities rated 10 to 40 percent. Cases rated 50 percent or more disabled were increased by 14.3 percent. Statutory awards relating to more serious disabilities (other than the "K" award) and DIC rates were increased by 14.3 percent. In addition, it (1) expanded the specially adapted housing benefit program by $5,000 to certain service-connected veterans; (2) increased the maximum VA loan guaranty from $25,000 to $27,500 for a conventional home or condominium and from $17,500 to $20,000 the guaranty for a mobile home, mobile home lot or both; (3) entitled veterans to refinance their VA home loans if mortgage funds become available at lower interest rates; (4) provided for headstones and markers for certain close relatives of veterans buried in State veterans' cemeteries and other miscellaneous provisions.

Fiscal year 1980—Public Law 96-128—$669.7 million

The Act provided a 9.9 percent increase in the compensation and DIC rates effective October 1, 1979, except for the "K" award which became effective October 1, 1980. In addition, a new basic entitlement was established permitting payment of aid and attendance benefits to a new group of severely disabled veterans upon an affirmative showing of and demonstrated need for the regular aid and attendance of another person.

Fiscal year 1979—Public Law 95-479—$520.4 million

The Act provided a 7.3 percent increase in the compensation and DIC rates effective October 1, 1978. In addition, the Act: (1) provided additional compensation to veterans who suffered the loss or loss of use of three extremities; (2) established a new statutory

award of $175 monthly to certain veterans suffering from the service-connected loss or loss of use of an extremity ratable at not less than 40 percent and who subsequently suffered the non-service-connected loss or loss of use of the paired extremity at a level ratable at no less than 40 percent; (3) reduced from 50 percent to 30 percent the rate of disability required before additional compensation for dependents is payable to veteran; (4) provided dependency and indemnity compensation entitlement to survivors if the veteran immediately before death had suffered total service-connected disability for 10 or more years or continuously since discharge for not less than 5 years. Provided, for the first time, additional dependency and indemnity compensation to a surviving spouse who, because of disability, is permanently housebound; (5) provided for a second level of aid and attendance benefits for certain catastrophically disabled veterans needing a higher level of care; (6) clarified the intent of the Congress to assure exemption from taxation of compensation paid in lieu of military retired pay; (7) increased the service-connected death burial benefit from $800 to $1,100; and (8) increased the automobile assistance allowance payable on a one-time basis to certain severely disabled veterans from $3,300 to $3,800.

Fiscal year 1978—Public Law 95-117—$312.5 million

The Act provided a 6.6 percent increase in compensation and DIC rates to service-connected disabled veterans and eligible dependents. In addition, it provided entitlement to a grant, not to exceed $25,000, as assistance in purchasing specially adapted housing for certain veterans who, because of the service-connected loss or loss of use of one lower extremity and one upper extremity which affects the function of balance or propulsion, are precluded from locomotion without aid of braces, crutches, canes or a wheelchair.

Fiscal year 1977—Public Law 94-433—$388 million

The Act provided for an 8 percent increase in the rates of compensation and DIC. In addition, the Act provided that the VA would pay increased compensation to the disabled veteran rated 50 percent to 100 percent who has a spouse who is a patient in a nursing home or who is so helpless as to need regular aid and attendance. It also provided for an increase in mortgage protection life insurance available for certain severely disabled veterans from $30,000 to $40,000. The measure also authorized the VA to pay the cost of transporting the remains of deceased, service-disabled veterans to a national cemetery for burial and extended eligibility for VA assistance in the purchase of automobiles and necessary special adaptive equipment to certain disabled veterans who served on or after September 16, 1940. The benefit had been limited to those with service in World War II or thereafter.

Fiscal year 1976—Public Law 94-71—$490 million

Increased by 10 percent the rates of compensation payable to service-connected disabled veterans rated 10 to 50 percent. Cases rated 60 percent or more disabled were increased by 12 percent. Statutory awards, relating to more serious disabilities, were increased by 12 percent.

SUMMARY OF THE REPORTED BILL

H.R. 2937, as reported, would increase the rates of compensation for service-connected disabilities and dependency and indemnity compensation for surviving spouses and children of veterans who died of service-connected causes. The bill would also increase by 4.1 percent the aid and attendance allowance payable to eligible veterans and surviving spouses, the housebound allowance payable to eligible veterans and surviving spouses, the additional amounts for dependents paid to certain veterans and survivors, and the clothing allowance for veterans whose prosthetic or orthopedic appliance tends to wear or tear their clothing. In addition, the bill would:

(1) Permit the payment of increased compensation due to hospitalization from the date of entitlement, rather than the first day of the first full month of entitlement.

(2) Provide ROTC members with eligibility for Veterans' Administration benefits for injuries sustained during active duty for training if incurred prior to October 1, 1982.

(3) Provide eligibility for Veterans' Administration benefits to an adopted child of a veteran, regardless of age at adoption, who became helpless prior to age 18 providing the child was a member of the veteran's household at age 18.

(4) Provide additional compensation for certain service-connected blinded veterans who also suffer service-connected hearing impairments.

The following table shows the compensation and dependency and indemnity compensation payable under current law compared with that to be provided in the reported bill:

COMPENSATION AND DIC RATES EFFECTIVE APRIL 1, 1984

	Increase (monthly rate)	
	From	To
Percentage of disability or subsection under which payment is authorized:		
(a) 10 percent	$62	$65
(b) 20 percent	114	119
(c) 30 percent	173	180
(d) 40 percent	249	259
(e) 50 percent	352	366
(f) 60 percent	443	461
(g) 70 percent	559	582
(h) 80 percent	648	675
(i) 90 percent	729	759
(j) 100 percent	1,213	1,263
Higher statutory awards for certain multiple disabilities:		
(k)(1) Additional monthly payment for anatomical loss, or loss of use of, any of these organs: one foot, one hand, blindness in one eye (having light perception only), one or more creative organs, both buttocks, organic aphonia (with constant inability to communicate by speech), deafness of both ears (having absence of air and bone conduction)—for each loss	62	65
(2) Limit for veterans receiving payments under (a) to (j) above	1,506	1,568
(3) Limit for veterans receiving benefits under (l) to (n) below	2,111	2,198
(l) Anatomical loss or loss of use of both feet, one foot and one hand, blindness in both eyes (5/200 visual acuity or less), permanently bedridden or so helpless as to require aid and attendance	1,506	1,568

COMPENSATION AND DIC RATES EFFECTIVE APRIL 1, 1984—Continued

	Increase (monthly rate)	
	From	To
(m) Anatomical loss or loss of use of both hands, or of both legs, at a level preventing natural knee action with prosthesis in place or of 1 arm and 1 leg at a level preventing natural knee or elbow action with prosthesis in place or blind in both eyes, either with light perception only or rendering veteran so helpless as to require regular aid and attendance	1,661	1,729
(n) Anatomical loss of both eyes or blindness with no light perception or loss of use of both arms at a level preventing natural elbow action with prosthesis in place or anatomical loss of both legs so near hip as to prevent use of prosthesis, or anatomical loss of 1 arm and 1 leg so near shoulder and hip as to prevent use of prosthesis	1,888	1,965
(o) Disability under conditions entitling veterans to two or more of the rates provided in (l) through (n), no condition being considered twice in the determination, or deafness rated at 60 percent or more (impairment of either or both ears service-connected) in combination with total blindness (5/200 visial acuity or less) or deafness rated at 10% or more (impairment of either or both ears service-connected) in combination with blindness having light perception only or anatomical loss of both arms so near the shoulder as to prevent use of prosthesis	2,111	2,198
(p)(1) If disabilities exceed requirements of any rates prescribed, Administrator of VA may allow next higher rate or an intermediate rate, but in no case may compensation exceed	2,111	2,198
(2) Blindness in both eyes (with 5/200 visual acuity or less) together with (a) bilateral deafness rated at 30 percent or more disabling (impairment of either or both ears service-connected) next higher rate is payable, or (b) service-connected total deafness of one ear or service-connected loss or loss of use of an extremity the next intermediate rate is payable, but in no event may compensation exceed	2,111	2,198
(3) Anatomical loss or loss of use of three extremities, the next higher rate in paragraphs (l) to (n) but in no event in excess of	2,111	2,198
(q) [This subsection repealed by Public Law 90–493.]		
(r)(1) If veteran entitled to compensation under (o) or to the maximum rate under (p); or at the rate between subsections (n) and (o) and under subsection (k), and is in need of regular aid and attendance, he shall receive a special allowance of the amount indicated at right for aid and attendance in addition to such rates	906	943
(2) If the veteran, in addition to need for regular aid and attendance, is in need of a higher level of care, a special allowance of the amount indicated at right is payable in addition to (o) or (p) rate	1,350	1,405
(s) Disability rated as total, plus additional disability independently ratable at 60 percent or over, or permanently housebound	1,357	1,413
(t) Additional monthly allowance for a veteran in receipt of compensation for a disability not evaluated more than 90 percent disabling who has suffered a service-connected loss or loss of use of an extremity evaluated not less than 40 percent and has suffered a non-service connected loss or loss of use of the paired extremity evaluated at not less than 40 percent	262	273
If and while veteran is rated totally disabled and—		
Has a spouse	74	77
Has a spouse and child	124	129
Has no spouse, 1 child	50	52
For each addtional child	40	42
For each dependent parent	60	62
For each child age 18 to 22 attending school	112	117
Has a spouse in nursing home or severely disabled	134	139

The following increases are provided for surviving spouses of deceased veterans whose deaths are service-connected and who are receiving dependency and indemnity compensation (DIC) payments:

Pay grade	From	To
E–1	$445	$463
E–2	459	478
E–3	470	489
E–4	500	521
E–5	514	535

Pay grade	From	To
E–6	526	548
E–7	552	575
E–8	582	606
E–9	[1] 608	[1] 633
W–1	563	586
W–2	586	610
W–3	603	628
W–4	639	665
O–1	563	586
O–2	582	606
O–3	622	648
O–4	658	685
O–5	726	756
O–6	817	850
O–7	884	920
O–8	969	1,009
O–9	1,041	1,084
O–10	[2] 1,139	[2] 1,186

[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, the surviving spouse's rate is increased from $655 to $682.
[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, the rate for the surviving spouse is increased from $1,222 to $1272.

Increases by 4.1 percent, from $51 to $53 monthly, the additional DIC rate payable to surviving spouses for each child of the veteran under age 18.

Increases by 4.1 percent, from $134 to $139 monthly, the spouses' aid and attendance rate.

Increases by 4.1 percent, from $66 to $69 monthly, the spouses' housebound rate.

When there is no surviving spouse receiving dependency and indemnity compensation, payment is made in equal shares to the children of the deceased veteran. These rates are increased as follows:

	Increase (monthly rate)	
	From	To
One child	$225	$234
Two children	323	336
Three children	417	434
Each additional child	84	87

Section-by-Section Analysis

TITLE I—VETERANS' DISABILITY COMPENSATION BENEFITS

Section 101

Subsection (a) of section 101 would amend subsections (a) through (t) of section 314 of title 38, United States Code, to increase by 4.1 percent the monthly rates of compensation (subsections (a) through (j), (l) through (n), (o), (r), (s), and (t)) and the maximum amounts to veterans rated under subsection (k) or (p).

Subsection (b) of section 101 would authorize the Administrator to increase by 4.1 percent the monthly rates of compensation pay-

able to veterans within the purview of section 10 of Public Law 85-857.

Section 102

Clauses (1) through (6) of section 102 would amend section 315(l) of title 38 to increase by 4.1 percent the rates of additional compensation payable to veterans for their spouses, children, or dependent parents.

Section 103

Section 103 would amend section 362 of title 38 to increase by 4.1 percent the annual clothing allowance payable to a service-disabled veteran whose disability requires the use of a prosthetic or orthopedic appliance that tends to tear or wear out the veteran's clothing.

Section 104

Section 104 would make the amendments made by title I effective on April 1, 1984.

TITLE II—SURVIVORS' DEPENDENCY AND INDEMNITY COMPENSATION BENEFITS

Section 201

Subsection (a) of section 201 would amend section 411(a) of title 38 to increase by 4.1 percent the monthly rates of dependency and indemnity compensation (DIC) payable to the surviving spouses of persons who died in or as a result of military service.

Subsection (b) of section 201 would amend section 411(b) of title 38 to increase by 4.1 percent the additional DIC payable to a surviving spouse for a child under the age of 18.

Subsection (c) of section 201 would amend section 411(c) of title 38 to increase by 4.1 percent the additional DIC payable to a surviving spouse who is a patient in a nursing home or so helpless or blind as to require regular aid and attendance.

Subsection (d) of section 201 would amend section 411(d) of title 38 to increase by 4.1 percent the additional DIC payable to a surviving spouse who is so disabled as to be permanently housebound but not in need of regular aid and attendance.

Section 202

Clauses (1) through (4) of section 202 would amend section 413 of title 38 to increase by 4.1 percent the rates of DIC payable to a veteran's child or children when no surviving spouse is entitled.

Section 203

Clauses (1) through (3) of section 203 would amend section 414 of title 38 to increase by 4.1 percent the rates of supplemental DIC payable to a veteran's child over the age of 18 who became helpless before reaching that age or who attends an approved educational institution.

Section 204

Section 204 would make the amendments made by title I effective on April 1, 1984.

TITLE III—MISCELLANEOUS PROVISIONS

Section 301

Subsection (a) of section 301 would amend section 3011 of title 38, United States Code, relating to the commencement of the period of payment based on an award or increased award of compensation, DIC, or pension, by redesignating subsection (c) of that section as paragraph (1) and adding a new paragraph (2). Under section 3011, payment commences generally on the first day of the month following the award's effective date.

New paragraph (2) of subsection (c) of section 3011 would provide an exception relating to veterans assigned a temporary total rating by reason of hospitalization for treatment or care of the veteran's service-connected disability. Such ratings are authorized by sections 4.29 and 4.30 of title 38, Code of Federal Regulations, also known as Paragraphs 29 and 30 of the Rating Schedule.

The Paragraph 29 rating is authorized when the veteran is hospitalized for 21 days or more, effective the first day of hospitalization and terminating on the last day of the month of discharge or, if convalescence is required, extending over a longer period. The Paragraph 30 rating is authorized when the veteran has undergone surgery or immobilization of major joints and is expected to undergo convalescence for a month or more. By virtue of section 3011, increased compensation on the basis of the rating is not payable until the first of the month following the month in which the veteran's hospitalization begins. The exception provided for under new paragraph (2) would enable compensation to be paid beginning on the date of hospital admission, as was the case prior to the 1982 Reconciliation Act. The amendment made by this section would be effective October 1, 1983.

Section 302

Section 302 would amend section 113(d) of the Veterans' Compensation, Education, and Employment Amendments of 1982 (Pub. L. 97-306). Section 113 amended section 101(22) of title 38, relating to the definition of "active duty for training," to enable compensation or DIC to be paid in the event a senior member of the Reserve Officers Training Corps (ROTC) is disabled or killed in connection with annual training or a practice cruise. This amendment was made effective with respect to disabilities or deaths occurring after September 30, 1982. Section 302 would, effective October 1, 1983, extend such compensation or DIC with respect to disabilities or deaths occurring before October 1, 1982. In this manner, compensation or DIC would be payable regardless of when the incident causing the death or disability occurred.

Section 303

Section 303 would amend subparagraph (A) of paragraph (4) of section 101 of title 38, relating to definitions. Paragraph (4) defines the term "child" for VA benefit purposes generally. The term includes an individual over age 18 who became permanently incapable of self-support before reaching that age and who is the veteran's natural child, step-child, or adopted child. As interpreted by the VA, the term does not include an adoptee if the adoption took

place after the adoptee reached age 18. This amendment would require the VA to recognize a helpless adult adoptee as a veteran's dependent regardless of the adoptee's age at the time of the adoption, provided the adoptee was residing in the veteran's household on his or her eighteenth birthday. The amendment made by this section would be effective October 1, 1983.

Section 304

Subsection (a) of section 304 would amend subsection (o) of section 314 to add a new category of combined disabilities warranting special monthly compensation payable at the maximum rate of $2,198 (as increased by subsection (a) of section 101). Payment would be made at the (o) rate if a veteran has suffered deafness (and the hearing impairment in either one or both ears is service connected) rated at 10 percent or more disabling and the veteran has also suffered service-connected total blindness (with light perception only, or no light perception).

Under present law, a veteran who has suffered service-connected total blindness having light perception only and bilateral deafness (where the hearing impairment in either or both ears is service connected) rated 40 percent disabling is entitled to monthly compensation at the subsection 314(n) rate. Pursuant to section 314(p), and by regulation (section 3.350 of title 38, Code of Federal Regulations), veterans with various combinations of blindness and hearing impairments meeting or exceeding the subsection (m) requirements are compensated at various rates ranging from "m ½" to "n ½." Some of these veterans are also entitled to one or more "k" awards (section 314(k) of title 38). The increases provided under this amendment would approximately range from $537 (veteran rated "m") to $199 (veteran rated "n ½"), minus the "k" rate, if any.

Subsection (b) of section 304 would amend subsection (p) of section 314, which authorizes the Administrator to allow the next higher statutory or intermediate rate for certain combinations of disabilities exceeding the requirements for any of the rates provided in section 314, but not exceeding $2,198 (as increased by subsection (a) of section 101). One provision in present subsection (p) states that in the event the veteran has suffered service-connected total blindness, with 5/200 visual acuity or less, and has suffered bilateral deafness (and the hearing impairment in either one or both ears is service connected) rated at no less than 40 percent disabling, the Administrator shall allow the next higher statutory rate, not in excess of $2,198. Under this amendment, the minimum disability rating for the bilateral deafness would be 30 percent.

Subsection (c) of section 304 would make the amendments made by section 304 effective October 1, 1983.

Oversight Findings

During the budget hearing on February 17, 1983, one of the veterans' organizations brought to the Committee's attention an inequity created by Public Law 97-253, the Omnibus Budget Reconciliation Act of 1982. The Schedule for Rating Disabilities of the Veterans' Administration provides for a temporary total rating for a veteran rated less than 100 percent disabled who requires hospi-

talization for a period in excess of 21 days for his or her service-connected disability. In rating such cases, a temporary 100 percent rating is assigned effective the date of admission to the hospital. One of the savings provisions contained in Public Law 97-253 delayed the effective date of payment of initial and increased awards to the first full month of entitlement. In the usual case, there is continuing entitlement to the benefit involved and there is no disparate effect on the beneficiary. However, temporary hospitalization ratings are of short and specific duration, sometimes completely within one calendar month. For example, a veteran who is admitted on the second day of a month and remains hospitalized for 4 weeks would not receive any increased compensation to make up for the loss of wages during that time. Other veterans admitted on or near the last day of the month would be minimally affected. The Committee feels strongly that this is a gross inequity and should be corrected.

Comments were received on H.R. 2393 which was introduced at the request of a veterans' organization. This bill would recognize, for VA purposes, the adoption of a helpless child after the child becomes 18 years of age provided the child was a member of the veteran's household when age 18 was attained.

In enacting Public Law 97-306 last year, the Committee provided compensation and other benefits to members of the Senior Reserve Officers Training Corps for injuries sustained on or after October 1, 1982 while undergoing their 6 weeks period of active duty for training. The Committee brought out that survivors of such members were entitled to benefits without regard to date of injury but that ROTC members injured during active duty training prior to October 1982 were being unfairly discriminated against.

No oversight findings have been submitted to the Committee by the Committee on Government Operations.

Budget Statement

As required by the Rules of the House, the following letter was received from the Congressional Budget Office concerning the cost of H.R. 2937.

U.S. Congress,
Congressional Budget Office,
Washington, D.C., May 12, 1983.

Hon. G. V. Montgomery,
Chairman, Committee on Veterans' Affairs, U.S. House of Representatives, Washington, D.C.

Dear Mr. Chairman: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for H.R. 2937, the Veterans' Disability Compensation Amendments of 1983, as ordered reported by the House Committee on Veterans' Affairs, May 10, 1983.

Should the Commitee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

Alice M. Rivlin, *Director.*

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: H.R. 2937.

2. Bill title: Veterans' Disability Compensation Amendments of 1983.

3. Bill status: As ordered reported by the House Committee on Veterans' Affairs, May 10, 1983.

4. Bill purpose: To increase the rates of disability compensation for disabled veterans, to increase the rates of dependency and indemnity compensation for surviving spouses and children, and for other purposes.

5. Estimated cost to the Federal Government:

[By fiscal year, in millions of dollars]

	1984	1985	1986	1987	1988
Required budget authority	208.9	407.3	400.9	394.3	385.2
Estimated outlays	178.5	405.8	401.4	394.8	385.9

The cost of this bill would fall in budget function 700.

Basis for estimate: The following section-by-section cost analysis addresses only those sections of the bill that would be expected to have a significant budgetary impact.

Title I: This title would increase by 4.1 percent the monthly rates payable for veterans' disability compensation. The new rates would be effective April 1, 1984.

[By fiscal year, in millions of dollars]

	1984	1985	1986	1987	1988
Required budget authority	164.8	327.7	322.6	317.7	310.9
Estimated outlays	139.9	326.3	323.0	318.1	311.4

The cost of this title was estimated by multiplying the projected average cost in each year for all disability compensation cases by 4.1 percent. The resulting average increase in cost per year was then multiplied by the estimated number of cases in each year to determine the annual cost.

It was determined that approximately 49.9 percent of fiscal year 1984 compensation costs would occur between April 1, 1984, and the end of the fiscal year under current law. This percentage was then applied to the 1984 cost for the rate increase to reflect the April 1 effective date. The impact of delaying the effective date of this rate increase from October 1, 1983, to April 1, 1984, would be a savings of $165.5 million in 1984 budget authority and $164.0 million in outlays.

Title II: This title would increase by 4.1 percent the monthly rates payable for dependency and indemnity compensation (DIC). The new rates would be effective April 1, 1984.

[By fiscal year, in millions of dollars]

	1984	1985	1986	1987	1988
Required budget authority	36.5	71.9	70.6	68.9	66.6
Estimated outlays	31.0	71.8	70.7	69.0	66.8

The cost of this title was estimated by multiplying the projected average cost in each year for all DIC cases by 4.1 percent. The resulting average increase in cost per year was then multiplied by the estimated number of cases in each year to determine the annual cost.

It was determined that approximately 49.9 percent of fiscal year 1984 DIC costs would occur between April 1, 1984, and the end of the fiscal year under current law. This percentage was then applied to the 1984 cost for the rate increase to reflect the April 1 effective date. The impact of delaying the effective date of this rate increase from October 1, 1983, to April 1, 1984, would be a savings of $36.7 million in 1984 budget authority and $36.2 million in outlays.

Section 301: This section would amend the provision of title 38, U.S.C., that sets the effective date of certain new or increased compensation awards at the first day of the month following the month in which the award is effective. Section 301 would exempt from this provision temporarily increased compensation awards resulting from hospitalization for treatment of a service-connected disability. This provision would take effect on October 1, 1983.

[By fiscal year, in millions of dollars]

	1984	1985	1986	1987	1988
Required budget authority	7.6	7.7	7.7	7.7	7.7
Estimated outlays	7.6	7.7	7.7	7.7	7.7

According to VA information, it is estimated that approximately 17,250 veterans annually receive increased compensation for inpatient treatment of service-connected disabilities. It was assumed for this estimate that these veterans would receive, on the average, an additional half month of increased benefits under this provision. The slightly lower cost in fiscal year 1984 would result from the half-year effect of the rate increase contained in Title I.

Section 304: This section would increase the rates of disability compensation payable to certain blinded veterans.

According to information from the staff of the House Committee on Veterans' Affairs, fewer than 50 veterans would be affected by these provisions. It is, therefore, not expected that this section would have a significant cost.

6. Estimated cost to State and local governments: The Congressional Budget Office has determined that the budgets of State and local governments would not be directly affected by the enactment of this bill.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: K. W. Shepherd.
10. Estimate approved by: C. G. Nuckols (for James L. Blum, Assistant Director for Budget Analysis).

Cost

The Committee concurs with the CBO cost estimate.

Inflationary Impact Statement

The enactment of the reported bill would have no inflationary impact.

Agency Report

The Committee received the following views of the Veterans' Administration, in the form of a prepared statement at a legislative hearing on April 19, 1983, on legislation similar to the reported bill:

Prepared Statement of Dorothy L. Starbuck, Chief Benefits Director, Veterans' Administration

Mr. Chairman and members of the subcommittee: I am pleased to be here this morning to present the Veterans' Administration's views on a bill you recently introduced, Mr. Chairman, H.R. 2391.

Titles I and II of the bill provide for 4.1 percent cost-of-living adjustments in rates of disability compensation, including additional amounts for dependents, the annual clothing allowance for certain veterans requiring prosthetic or orthopedic appliances, and dependency and indemnity compensation (DIC) for surviving spouses and children. These increases would become effective April 1, 1984, 6 months later than has been the case for annual adjustments in recent years.

The Veterans' Administration has historically recommended and supported increases designed to offset erosion of the purchasing power of compensation and DIC benefits. In recent years, compensation rate adjustments have been keyed to the indexed cost-of-living adjustments in Social Security and VA pensions. Recently enacted legislation, endorsed by the Administration, will defer for a period of 6 months these increases, otherwise scheduled to go into effect June 1, 1983. Consistent with this policy and in recognition of the need for moderation in Federal spending, we have transmitted draft legislation to the Speaker of the House proposing a cost-of-living adjustment of 3.5 percent in compensation and DIC rates, also effective April 1, 1984. The 3.5 percent figure represents the Administration's current estimate of the January 1, 1984, cost-of-living adjustment for Social Security and VA pensions. Should the actual increase in these other programs prove different, we will support an increase in compensation of an identical percentage. We anticipate that any future cost-of-living increases would be provided on April 1 of each year.

Mr. Chairman, in our bill we have rounded down to even dollars when the new rates we computed resulted in odd amounts. This is consistent with the method employed in Public Law 97-306, the most recent rate increase. The costs of our bill would be $161.2 mil-

lion in fiscal year 1984, and $322.5 million in fiscal year 1985. By contrast, titles I and II of H.R. 2391, if enacted, would cost $202.4 million in fiscal year 1984 by our estimate, and $402.7 million in fiscal year 1985.

Title III of H.R. 2391 contains three "miscellaneous" provisions that would affect the compensation and pension programs, one of which is unwarranted. Section 301 would provide for a limited override of section 3011 of title 38, United States Code, a cost-saving provision enacted last year as part of the Omnibus Budget Reconciliation Act of 1982 (Public Law 97-253). This section, informally known as the "stub-month rule," generally requires the period of payments based on an award or an increased award to commence on the first day of the month following the effective date of entitlement.

The proposed amendment would override the stub-month rule but only to the extent it affects a veteran entitled to an increased award by virtue of sections 4.29 or 4.30 of title 38, Code of Federal Regulations. These regulations, paragraphs 29 and 30 of the Rating Schedule, apply when a veteran rated less than totally disabled as a result of service is hospitalized for treatment of a service-connected disability. If the veteran remains hospitalized for 21 days or more, paragraph 29 authorizes the assignment of a temporary total rating, effective the first day of hospitalization and terminating the last day of the month of discharge. Because of the stub-month rule, compensation at the total rate does not begin until the first day of the month following the month of hospital admission; if the entire period of hospitalization occurs within one calendar month, the veteran will not receive an increase in compensation based on the paragraph 29 rating.

Assuming a veteran is to be hospitalized for the requisite 21-day period, his or her chances of receiving additional compensation are enhanced if he or she enters the hospital after the 10th or 11th day of the month.

Similarly, paragraph 30 authorizes a temporary total rating effective the first day of hospitalization and continuing for 1, 2, or 3 months following hospital discharge as necessary for convalescence. Under the stub-month rule, compensation does not begin until the first day of the month following the month of hospitalization.

Undoubtedly, the stub-month rule has a disparate impact related to the day of the month on which an event occurs. This is true not only with regard to the paragraph 29 ratings but also for other situations. For example, if a veteran's initial compensation award is effective on the day following discharge from service, it is more advantageous for the veteran to have been discharged toward the end of a month. It is also to a veteran's advantage that his or her child is born on the last day of the month.

We do not consider the impact in the paragraph 29 situation as creating hardship or in any other way calling for a legislative exception to current payment rules. In our view, the enactment of section 301, which would result in costs of $6.5 million in fiscal year 1984, is not warranted.

Section 302 would enlarge the category of persons who, if disabled as a result of injury or disease during Senior Reserve Officers' Training Corps field training or practice cruises, could qualify

for disability compensation (or their survivors for DIC). Under section 113 of Public Law 97-306, these benefits were made available if the qualifying diseases or injuries occurred during such training after September 30, 1982. H.R. 2391 would create eligibility with respect to disabilities and deaths from earlier periods of training.

The effect would be minimal. DIC has since 1970 been available to survivors of ROTC members whose deaths resulted from annual training duty scheduled to continue for 14 or more days. Furthermore, until Public Law 97-306 was enacted, disabilities resulting from such training qualified these individuals for Federal Employees' Compensation. Cadets disabled as a result of training before October 1982, would be permitted to elect VA compensation in lieu of Federal Employees' Compensation under section 302 of the bill. The costs would be insignificant, and in view of Congress' decision to permit VA compensation for post-September 1982 disabilities, we do not oppose this amendment.

Finally, Mr. Chairman, section 303 of your bill would amend section 101(4) of title 38 to qualify as a veteran's "child," for VA purposes, an adult adopted by the veteran if the adopted person was (1) a member of the veteran's household upon reaching age 18 and (2) who, before reaching that age, became permanently incapable of self-support. As it has been interpreted by VA, current law permits us to recognize, as veterans' dependents, adult individuals who became helpless before age 18 and were adopted as children.

Mr. Chairman, we are certain the instances of adult "helpless" persons being adopted are rare. Furthermore, because the amounts of VA benefits payable for or to a child are relatively modest in comparison to the expenses of supporting a helpless adult, we do not anticipate abuses of this change in law. It is consistent with the statutory scheme of providing additional benefits to veterans with dependents, and we do not oppose this provision, the costs of which would be insignificant.

Changes in Existing Law Made by the Bill, as Reported

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38, UNITED STATES CODE

* * * * * * *

PART I. GENERAL PROVISIONS

* * * * * * *

CHAPTER 1—GENERAL

* * * * * * *

§ 101. Definitions

For the purposes of this title—

(1) The term "Administrator" means the Administrator of Veterans' Affairs.

(2) The term "veteran" means a person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable.

(3) The term "surviving spouse" means (except for purposes of chapter 19 of this title) a person of the opposite sex who was the spouse of a veteran at the time of the veteran's death, and who lived with the veteran continuously from the date of marriage to the date of the veteran's death (except where there was a separation which was due to the misconduct of, or procured by, the veteran without the fault of the spouse) and who has not remarried or (in cases not involving remarriage) has not since the death of the veteran, and after September 19, 1962, lived with another person and held himself or herself out openly to the public to be the spouse of such other person.

(4)(A) The term "child" means (except for purposes of chapter 19 of this title and section 5202(b) of this title) a person who is unmarried and—

(i) who is under the age of eighteen years;

(ii) who, before attaining the age of eighteen years, became permanently incapable of self-support; or

(iii) who, after attaining the age of eighteen years and until completion of education or training (but not after attaining the age of twenty-three years), is pursuing a course of instruction at an approved educational institution;

and who is a legitimate child, a legally adopted child, a stepchild who is a member of a veteran's household or was a member at the time of the veteran's death, or an illegitimate child but, as to the alleged father, only if acknowledged in writing signed by him, or if he has been judicially ordered to contribute to the child's support or has been, before his death, judicially decreed to be the father of such child, or if he is otherwise shown by evidence satisfactory to the Administrator to be the father of such child. A person shall be deemed, as of the date of death of a veteran, to be the legally adopted child of such veteran if such person was at the time of the veteran's death living in the veteran's household and was legally adopted by the veteran's surviving spouse before August 26, 1961, or within two years after the veteran's death; however, this sentence shall not apply if at the time of the veteran's death, such person was receiving regular contributions toward the person's support from some individual other than the veteran or veteran's spouse, or from any public or private welfare organization which furnishes services or assistance for children. A person with respect to whom an interlocutory decree of adoption has been issued by an appropriate adoption authority shall be recognized thereafter as a legally adopted child, unless and until that decree is rescinded, if the child remains in the custody of the adopting parent or parents during the interlocutory period. A person who has been placed for adoption under an agreement entered into by the adopting parent or parents with any agency authorized under law to so act shall be

recognized thereafter as a legally adopted child, unless and until such agreement is terminated, if the child remains in the custody of the adopting parent or parents during the period of placement for adoption under such agreement. *A person covered by clause (ii) of the first sentence of this subparagraph who was a member of a veteran's household at the time the person became 18 years of age and who is adopted by the veteran shall be recognized as a legally adopted child of the veteran regardless of the age of such person at the time of adoption.*

* * * * * * *

PART II. GENERAL BENEFITS

* * * * * * *

CHAPTER 11—COMPENSATION FOR SERVICE-CONNECTED DISABILITY OR DEATH

* * * * * * *

Subchapter II—Wartime Disability Compensation

* * * * * * *

§ 314. Rates of wartime disability compensation

For the purposes of section 310 of this title—

(a) if and while the disability is rated 10 per centum the monthly compensation shall be [$62] *$65*;

(b) if and while the disability is rated 20 per centum the monthly compensation shall be [$114] *$119*;

(c) if and while the disability is rated 30 per centum the monthly compensation shall be [$173] *$180*;

(d) if and while the disability is rated 40 per centum the monthly compensation shall be [$249] *$259*;

(e) if and while the disability is rated 50 per centum the monthly compensation shall be [$352] *$366*;

(f) if and while the disability is rated 60 per centum the monthly compensation shall be [$443] *$461*;

(g) if and while the disability is rated 70 per centum the monthly compensation shall be [$559] *$582*;

(h) if and while the disability is rated 80 per centum the monthly compensation shall be [$648] *$675*;

(i) if and while the disability is rated 90 per centum the monthly compensation shall be [$729] *$759*;

(j) if and while the disability is rated as total the monthly compensation shall be [$1,213] *$1,263*;

(k) if the veteran, as the result of service-connected disability, has suffered the anatomical loss or loss of use of one or more creative organs, or one foot, or one hand, or both buttocks, or blindness of one eye, having only light perception, or has suffered complete organic aphonia with constant inability to communicate by speech, or deafness of both ears, having absence of air and bone conduction, the rate of compensation therefore shall be $62 per month for each such loss or loss of

use independent of any other compensation provided in subsections (a) through (j) or subsection (s) of this section but in no event to exceed [$1,506] *$1,568* per month; and in the event the veteran has suffered one or more of the disabilities heretofore specified in this subsection, in addition to the requirement for any of the rates specified in subsections (l) through (n) of this section, the rate of compensation shall be increased by $62 per month for each such loss or loss of use, but in no event to exceed [$2,111] *$2,198* per month;

(l) if the veteran, as the result of service-connected disability, has suffered the anatomical loss or loss of use of both feet, or of one hand and one foot, or is blind in both eyes, with 5/200 visual acuity or less, or is permanently bedridden or so helpless as to be in need of regular aid in attendance, the monthly compensation shall be [$1,506] *$1,568*;

(m) if the veteran, as the result of service-connected disability, has suffered the anatomical loss or loss of use of both hands, or of both legs at a level, or with complications, preventing natural knee action with prostheses in place, or of one arm and one leg at levels, or with complications, preventing natural elbow and knee action with prostheses in place, or has suffered blindness in both eyes, having only light perception, or has suffered blindness in both eyes, rendering such veteran so helpless as to be in need of regular aid and attendance, the monthly compensation shall be [$1,661] *$1,729*;

(n) if the veteran, as the result of service-connected disability, has suffered the anatomical loss or loss of use of both arms at levels, or with complications, preventing natural elbow action with prostheses in place, has suffered the anatomical loss of both legs so near the hip as to prevent the use of prosthetic appliances, or has suffered the anatomical loss of one arm and one leg so near the shoulder and hip as to prevent the use of prosthetic appliances, or has suffered the anatomical loss of both eyes, or has suffered blindness without light perception in both eyes, the monthly compensation shall be [$1,888] *$1,965*;

(o) if the veteran, as the result of service-connected disability, has suffered disability under conditions which would entitle such veteran to two or more of the rates provided in one or more subsections (l) through (n) of this section, no condition being considered twice in the determination, or if the veteran has suffered bilateral deafness (and the hearing impairment in either one or both ears is service connected) rated at 60 per centum or more disabling and the veteran has also suffered service-connected total blindness with 5/200 visual acuity [or less], *or if the veteran has suffered deafness (and the hearing impairment in either one or both ears is service connected) rated at 10 per centum or more disabling and the veteran has also suffered service-connected total blindness having light perception only (or less),* or if the veteran has suffered the anatomical loss of both arms so near the shoulder as to prevent the use of prosthetic appliances; the monthly compensation shall be [$2,111] *$2,198*;

(p) in the event the veteran's service-connected disabilities exceed the requirements for any of the rates prescribed in this section, the Administrator may allow the next higher rate or an intermediate rate, but in no event in excess of [$2,111] *$2,198*. In the event the veteran has suffered service-connected blindness, with 5/200 visual acuity or less and (1) has also suffered bilateral deafness (and the hearing impairment in either one or both ears is service connected) rated at no less than [40], *30* per centum disabling, the Administrator shall allow the next higher rate, or (2) has also suffered service-connected total deafness in one ear, or service-connected anatomical loss or loss of use of one hand or one foot, the Administrator shall allow the next intermediate rate, but in no event in excess of [$2,111] *$2,198*. In the event the veteran has suffered the anatomical loss or loss of use, or a combination of anatomical loss and loss of use, of three extremities, the Administrator shall allow the next higher rate or intermediate rate, but in no event in excess of [$2,111] *$2,198*. Any intermediate rate under this subsection shall be established at the arithmetic mean, rounded down to the nearest dollar, between the two rates concerned;

(r) Subject to section 3203(e) of this title, if any veteran, otherwise entitled to compensation authorized under subsection (o) of this section, at the maximum rate authorized under subsection (p) of this section, or at the intermediate rate authorized between the rates authorized under subsections (n) and (o) of this section and at the rate authorized under subsection (k) of this section, is in need of regular aid and attendance, then, in addition to such compensation—

(1) the veteran shall be paid a monthly aid and attendance allowance at the rate of [$906] *$943*; or

(2) if the veteran, in addition to such need for regular aid and attendance, is in need of a higher level of care, such veteran shall be paid a monthly aid and attendance allowance at the rate of [$1,350] *$1,405*, in lieu of the allowance authorized in clause (1) of this subsection, if the Administrator finds that the veteran, in the absence of the provision of such care, would require hospitalization, nursing home care, or other residential institutional care.

For the purposes of clause (2) of this subsection, need for a higher level of care shall be considered to be need for personal health-care services provided on a daily basis in the veteran's home by a person who is licensed to provide such services or who provides such services under the regular supervision of a licensed health-care professional. The existence of the need for such care shall be determined by a physician employed by the Veterans' Administration or, in areas where no such physician is available, by a physician carrying out such function under contract or free arrangement based on an examination by such physician. For the purposes of section 334 of this title, such allowance shall be considered as additional compensation payable for disability;

(s) If the veteran has a service-connected disability rated as total, and (1) has additional service-connected disability or dis-

abilities independently ratable at 60 per centum or more, or, (2) by reason of such veteran's service-connected disability or disabilities, is permanently housebound, then the monthly compensation shall be [$1,357] *$1,413*. For the purposes of this subsection, the requirement of "permanently housebound" will be considered to have been met when the veteran is substantially confined to such veteran's house (ward or clinical areas, if institutionalized) or immediate premises due to a service-connected disability or disabilities which it is reasonably certain will remain throughout such veteran's lifetime.

(t)(1) If the veteran (A) is entitled to receive compensation at any rate provided for under subsections (a) through (i) of this section and compensation under subsection (k) of this section, (B) has suffered the loss or loss of use of an extremity as a result of a service-connected disability ratable at 40 per centum or more, and (C) has suffered the loss or loss of use of the paired extremity as a result of a non-service-connected disability, not the result of the veteran's own willful misconduct, that would be rated, if service-connected, at 40 per centum or more, the monthly rate of compensation payable to such veteran shall be increased by [$262] *$273*.

(2) If a veteran described in paragraph (1) of this subsection receive any money or property of value pursuant to an award in a judicial proceeding based upon, or a settlement or compromise of, any cause of action for damages for the non-service connected disability described in such paragraph, the increase in the rate of compensation otherwise payable under this subsection shall not be paid for any month following a month in which any such money or property is received until such time as the total of the amount of such increase that would otherwise have been payable equals the total of the amount of any such money received and the fair market value of any such property received.

§ 315. Additional compensation for dependents

Any veteran entitled to compensation at the rates provided in section 314 of this title, and whose disability is rated not less than 30 per centum, shall be entitled to additional compensation for dependents in the following monthly amounts:

(1) If and while rated totally disabled and—

(A) has a spouse but no child, [$74] *$77*;

(B) has a spouse and one or more children, [$124] *$129* plus [$40] *$42* for each child in excess of one;

(C) has no spouse but one or more children, [$50] *$52* plus [$40] *$42* for each child in excess of one;

(D) has a parent dependent upon such veteran for support, then, in addition to the above amounts, [$60] *$62* for each parent so dependent;

(E) notwithstanding the other provisions of this paragraph, the monthly payable amount on account of a spouse who is (i) a patient in a nursing home or (ii) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person, shall be [$134] *$139* for a totally disabled veteran and proportionate amounts for partially disabled veterans in accordance with paragraph (2) of this section; and

(F) notwithstanding the other provisions of this paragraph, the monthly payable amount on account of each child who has attained the age of eighteen years and who is pursuing a course of instruction at an approved educational institution shall be [$112] *$117* for a totally disabled veteran and proportionate amounts for partially disabled veterans in accordance with paragraph (2) of this section.

* * * * * * *

Subchapter VI—General Compensation Provisions

* * * * * * *

§ 362. Clothing allowance

The Administrator under regulations which the Administrator shall prescribe, shall pay a clothing allowance of [$327] *$340* per year to each veteran who because of disability which is compensable under the provisions of this chapter, wears or uses a prosthetic or orthopedic appliance or appliances (including a wheelchair) which the Administrator determines tends to wear out or tear the clothing of such a veteran.

* * * * * * *

CHAPTER 13—DEPENDENCY AND INDEMNITY COMPENSATION FOR SERVICE-CONNECTED DEATHS

* * * * * * *

Subchapter II—Dependency and Indemnity Compensation

* * * * * * *

§ 411. Dependency and indemnity compensation to a surviving spouse

(a) Dependency and indemnity compensation shall be paid to a surviving spouse, based on the pay grade of the person upon whose death entitlement is predicated, at monthly rates set forth in the following table:

Pay grade	*Monthly rate*	*Pay grade*	*Monthly rate*
E–1	$445	W–4	$639
E–2	459	O–1	563
E–3	470	O–2	582
E–4	500	O–3	622
E–5	514	O–4	658
E–6	526	O–5	726
E–7	552	O–6	817
E–8	582	O–7	884
E–9	[1] 608	O–8	969
W–1	563	O–9	1,041
W–2	586	O–10	[2] 1,139
W–3	603		

[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $655.

[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force or Commandant of the Marine Corps, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $1,222.

Pay grade	*Monthly rate*	*Pay grade*	*Monthly rate*
E–1	*$463*	*W–4*	*$665*
E–2	*478*	*O–1*	*566*
E–3	*489*	*O–2*	*606*
E–4	*521*	*O–3*	*648*
E–5	*535*	*O–4*	*685*
E–6	*548*	*O–5*	*756*
E–7	*575*	*O–6*	*850*
E–8	*606*	*O–7*	*920*
E–9	[1] *633*	*O–8*	*1,009*
W–1	*586*	*O–9*	*1,084*
W–2	*610*	*O–10*	[2] *1,186*
W–3	*628*		

[1] *If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $682.*

[2] *If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $1,272.*

(b) If there is a surviving spouse with one or more children below the age of eighteen of a deceased veteran, the dependency and indemnity compensation paid monthly to the surviving spouse shall be increased by **[**$51**]** *$53* for each such child.

(c) The monthly rate of dependency and indemnity compensation payable to a surviving spouse shall be increased by **[**$134**]** *$139* if the spouse is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.

(d) The monthly rate of dependency and indemnity compensation payable to a surviving spouse shall be increased by **[**$66**]** *$69* if the surviving spouse is, by reason of disability, permanently housebound but does not qualify for the aid and attendance allowance under subsection (c) of this section. For the purposes of this subsection, the requirement of "permanently housebound" will be considered to have been met when the surviving spouse is substantially confined to such surviving spouse's home (ward or clinical areas, if institutionalized) or immediate premises by reason of a disability or disabilities which it is reasonably certain will remain throughout such surviving spouse's lifetime.

* * * * * * *

§ 413. Dependency and indemnity compensation to children

(a) Whenever there is no surviving spouse of a deceased veteran entitled to dependency and indemnity compensation, dependency and indemnity compensation shall be paid in equal shares to the child of the deceased veteran at the following monthly rates:

(1) one child, **[**$225**]** *$234*;

(2) two children, **[**$323**]** *$336*;

(3) three children, **[**$417**]** *$434*; and

(4) more than three children **[**$417,**]** *$434*, plus **[**$84**]** *$87* for each child in excess of three.

* * * * * * *

§ 414. Supplemental dependency and indemnity compensation to children

(a) In the case of a child entitled to dependency and indemnity compensation who has attained the age of eighteen and who, while under such age, became permanently incapable of self-support, the dependency and indemnity compensation paid monthly to such child shall be increased by [$134] *$139*.

(b) If dependency and indemnity compensation is payable monthly to a person as a "surviving spouse" and there is a child (of such person's deceased spouse) who has attained the age of eighteen and who, while under such age, became permanently incapable of self-support, dependency and indemnity compensation shall be paid monthly to each such child, concurrently with the payment of dependency and indemnity compensation to the surviving spouse, in the amount of [$225] *$234*.

(c) If dependency and indemnity compensation is payable monthly to a person as a "surviving spouse" and there is a child (of such person's deceased spouse) who has attained the age of eighteen and who, while under the age of twenty-three, is pursuing a course of instruction at an educational institution approved under section 104 of this title, dependency and indemnity compensation shall be paid monthly to each such child, concurrently with the payment of dependency and indemnity compensation to the surviving spouse, in the amount of [$114] *$119*.

* * * * * * *

PART IV—GENERAL ADMINISTRATIVE PROVISIONS

* * * * * * *

CHAPTER 51—APPLICATIONS, EFFECTIVE DATES, AND PAYMENTS

* * * * * * *

Subchapter II—Effective Dates

* * * * * * *

§ 3011. Commencement of period of payment

(a) Notwithstanding section 3010 of this title or any other provision of law and except as provided in subsection (c) of this section, payment of monetary benefits based on an award or an increased award of compensation, dependency and indemnity compensation, or pension may not be made to an individual for any period before the first day of the calendar month following the month in which the award or increased award became effective as provided under section 3010 of this title or such other provision of law.

(b)(1) Except as provided in paragraph (2) of this subsection, during the period between the effective date of an award or in-

creased award as provided under section 3010 of this title or other provision of law and the commencement of the period of payment based on such award as provided under subsection (a) of this section, an individual entitled to receive monetary benefits shall be deemed to be in receipt of such benefits for the purpose of all laws administered by the Veterans' Administration.

(2) If any person who is in receipt of retired or retirement pay would also be eligible to receive compensation or pension upon the filing of a waiver of such pay in accordance with section 3105 of this title, such waiver shall not become effective until the first day of the month following the month in which such waiver is filed, and nothing in this section shall prohibit the receipt of retired or retirement pay for any period before such effective date.

(c)*(1)* This section shall apply to payments made pursuant to section 3110 of this title only if the monthly amount of dependency and indemnity compensation or pension payable to the surviving spouse is greater than the amount of compensation or pension the veteran would have received, but for such veteran's death, for the month in which such veteran's death occurred.

(2) This section shall not apply to the commencement of the period of payment to a veteran of an increased award of compensation by reason of a temporary increase in compensation for hospitalization or treatment of the veteran.

* * * * * * *

SECTION 113 OF THE VETERANS COMPENSATION, EDUCATION, AND EMPLOYMENT AMENDMENTS OF 1982

ELIGIBILITY FOR VETERANS' ADMINISTRATION BENEFITS OF SENIOR RESERVE OFFICERS' TRAINING CORPS PARTICIPANTS DISABLED DURING CERTAIN TRAINING

SEC. 113. (a) * * *

* * * * * * *

[(d) The amendments made by subsections (a) and (b) and the provisions of subsection (c) shall apply only with respect to deaths and disabilities resulting from diseases or injuries incurred or aggravated after September 30, 1982.]

(d) The amendments made by subsections (a) and (b) and the provisions of subsection (c)—

(1) with respect to deaths and disabilities resulting from diseases or injuries incurred or aggravated after September 30, 1982, shall take effect as of October 1, 1982; and

(2) with respect to deaths and disabilities resulting from diseases or injuries incurred or aggravated on or before September 30, 1982, shall take effect as of October 1, 1983.

O